

## State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

February 10, 2011

Frank Andrews Interpace Holdings, LLC 736 West Harrisville Rd Ogden, Utah 84404

Subject: Reclamation Surety Required, Interpace Holdings LLC, Henefer Clay, S/043/0033, Summit

County, Utah

Dear Mr. Andrews:

The referenced Notice of Intent to Commence Small Mining Operations (NOI), received by the Division on February 2, 2011, is complete with the exception of the reclamation bonding requirement.

Please also submit a determination of findings for a Cultural Resource Survey (CRS) and documentation with you listed as a principal with the Department of Commerce. The reclamation surety is determined to be \$ 25,000 for a 3 year escalation to the year 2013 or \$25,100 for a 5 year escalation to the year 2015. This was determined based on:

Small Mine Operation Bond Calculation Worksheet S/043/0033			
3-year escalation (2013)			
Item	Qty	<b>Unit Cost</b>	<b>Total Cost</b>
1st Acre Disturbance	1	\$7,400.00	\$7,400.00
Add'l Acres Disturbance	4	\$4,400.00	\$17,600.00
TOTAL	5		\$25,000.00
5-year escalation (2015)			
Item	Qty	<b>Unit Cost</b>	Total Cost
1st Acre Disturbance	1	\$7,500.00	\$7,500.00
Add'l Acres Disturbance	4	\$4,400.00	\$17,600.00
TOTAL	5		\$25,100.00

Please submit the reclamation surety and reclamation contract within the next 30 days. No mining related disturbance can be created until the surety is received and approved, and you have received written acceptance from this office as well as other applicable agencies.

The reclamation surety can be submitted in one of several forms, including, an irrevocable letter of credit, a certificate of deposit, cash or a surety bond. Please contact Penny Berry at (801) 538 5291 or e-mail <a href="mailto:bondcoordinator@utah.gov">bondcoordinator@utah.gov</a> for assistance in completing this requirement.

OIL, GAS & MINING

Frank Andrews Page 2 of 2 S/043/0033 February 10, 2011

Please contact me at 801-538-5261 or Leslie Heppler at 801-538-5257 if you have any questions regarding this letter. In reply please refer to file number S0430033.

Sincerely,

Paul B. Baker

Minerals Program Manager

PBB:lah:pb

cc: Summit County - Slewis@co.summit.ut.us

Penny Berry, DOGM

P:\GROUPS\MINERALS\WP\M043-Summit\S0430033-HeneferClay\final\TENT-02082011.doc